

TEACHERS' RETIREMENT BOARD
SUBCOMMITTEE ON CORPORATE GOVERNANCE

SUBJECT: Approval of Minutes of the October 10, 2001
Subcommittee on Corporate Governance, Open Session

ITEM NUMBER: 3

ATTACHMENT(S): 1

ACTION: X

DATE OF MEETING: March 6, 2002

INFORMATION:

PRESENTER(S): Chairperson

Proposed minutes of the Subcommittee on Corporate Governance meeting held in open session October 10, 2001 are submitted as Attachment 1.

**PROPOSED
MINUTES OF THE
SUBCOMMITTEE ON CORPORATE GOVERNANCE
OF THE
CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM
OCTOBER 10, 2001
OPEN SESSION
BOARD ROOM
7667 FOLSOM BOULEVARD
SACRAMENTO, CALIFORNIA**

SUBCOMMITTEE MEMBERS PRESENT

Philip Angelides, Chairperson
George Fenimore
Karen Russell
Jay Schenirer
Annette Porini, representing State Director of Finance
Tim Gage
Louis Willhoit, representing State Controller, Kathleen Connell
Curt Robinson, representing State Superintendent
of Public Instruction, Delaine Eastin

OTHER BOARD MEMBERS AND REPRESENTATIVES PRESENT

Anne Stausboll
Jennifer DuCray-Morrill
Chris Solich
Gary Lynes
Carolyn Widener
Marty Mathiesen

STAFF PRESENT

Christopher Ailman, Chief Investment Officer
Elleen Okada, Director of Investment Administration and External Relations
Chris Waddell, Chief Counsel
Doug Wills, Staff Counsel
Janice Hester Amey, Principal Investment Officer
Mary Ann Avansino, Administrative Assistant

OTHERS PRESENT

Dorothy Moser, CTA/NEA, Retired
Beverly Carlson, CTA
Pat Geyer, CRTA
Michael Green, CTA
Bill Collins, CTA

A quorum being present, Ms. Stausboll called the open session meeting to order at 9:12 a.m.

- I. **ANNOUNCEMENTS** (Item 2)
There were no announcements.

- II. **APPROVAL OF MINUTES OF THE SEPTEMBER 5, 2001 SUBCOMMITTEE ON CORPORATE GOVERNANCE, OPEN SESSION** (Item 3)
Revised minutes were presented indicating that Ms. DuCray-Morrill conducted the meeting and that the Chairperson did not vote on the motion for Item 4.

MOTION duly made by Mr. Schenirer, seconded by Mr. Robinson and carried to approve the minutes of the September 5, 2001 Subcommittee on Corporate Governance, Open Session as revised.

- III. **CORPORATE GOVERNANCE ISSUES** (Item 4)
Ms. Hester Amey reported that she had attended the Council of Institutional Investors CII meeting along with Mr. Mosman, Mr. Waddell, and Ms. Okada. Ms. Hester Amey discussed the CII focus list for under performing companies. Discussion ensued regarding CalSTRS process for compiling a focus list for the annual workplan.

Mr. Angelides arrived at the meeting at 9:16 a.m.

- IV. **DRAFT AGENDA FOR THE NOVEMBER SUBCOMMITTEE ON CORPORATE GOVERNANCE MEETING** (Item 5)
Mr. Ailman reviewed the draft agenda for the November meeting. Staff was directed to schedule a policy review item for Open Session, Information and a Closed Session, Information item to discuss securities litigation issues.

- V. **REPORT – SECURITIES LITIGATION** (Item 6)
Mr. Waddell presented the written item and gave a brief overview of cases that have come before litigation counsel.

Ms. Porini arrived at the meeting at 9:33 a.m.

Mr. Waddell discussed the roles of lead and passive plaintiffs as well as the types of securities litigation cases.

Mr. Fenimore arrived at the meeting at 9:40 a.m.

- VI. **REPORT 2001 PROXY SEASON** (Item 7)
Ms. Hester Amey presented a summary of the voting for the 2001 proxy season. She reported that over 5,900 votes were cast representing votes on 2,314 companies.

- VII. **OPPORTUNITY FOR STATEMENTS FROM THE PUBLIC** (Item 8)
There were no statements from the public.

- VIII. **MOVE TO CLOSED SESSION**
Mr. Angelides recessed the meeting and reconvened into closed session at 10:18 a.m.

IX. **ADJOURNMENT**

Mr. Angelides announced that while in closed session the Subcommittee approved prior closed session minutes. There being no further business to conduct, the meeting was adjourned at 10:20 a.m.

Jack Ehnes, Chief Executive Officer and Secretary to the Teachers'
Retirement Board

Philip Angelides, Chairperson